

ENHANCING MICRO AND SMALL BUSINESS OWNER MANAGERIAL SKILLS THROUGH BASIC ACCOUNTING PRINCIPLES TRAINING IN LARANGAN INDAH SUBDISTRICT, TANGERANG CITY

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ABSTRACT

Many micro and small business owners do not carry out accounting properly because they do not have a good understanding of basic accounting principles. Poor accounting causes the owners do not know the health of their businesses and cannot make the right decisions to improve the efficiency and effectiveness of their businesses. To help micro and small business owners improve their knowledge of accounting, Postgraduate Program, Universitas Prof. University Dr. Moestopo organized community engagement activities in the form of training in basic accounting principles. The training participants consisted of 28 micro and small business owners who were domiciled or residing in the Larangan Indah Subdistrict. The training was conducted using lecture or classroom methods. To evaluate training, the Kirkpatrick's Model is used with evaluations carried out in the reaction and learning areas. Based on the results of evaluating the reaction using the satisfaction questionnaire, it is known that the participants showed positive reactions while based on the results of the evaluation of learning using a comparison between pre-test and post-test scores it is known that the participants experienced an increase in knowledge. The aspects that will be improved in the next training are audiovisual aids, facilities, and schedule.

Keywords: Basic Accounting Principles, Micro Business, Small Business, Training, Kirkpatrick's Model

1. INTRODUCTION

Accounting is very important for all types and scale of businesses. If the business wants to develop, the owner must have good knowledge about the financial health of the business. The health of a business can only be known if the business carries out accounting through proper financial records and bookkeeping. It is suspected that there are still many business owners, especially micro and small businesses, who do not know the health of their business because they do not maintain proper financial records and bookkeeping. They don't even have a good understanding of basic accounting principles such as accounting equations, accounts, debits and credit; financial statements; journaling; etc. Micro and small business owners generally view that accounting is not an important thing to do. Even if they carry out accounting, all they do is record the transactions that often occur in their businesses manually (without using accounting software) to make a profit and loss statement, which also turns out to be incompatible with the Financial Accounting Standards for Micro, Small and Medium Entity which is effective starting January 1, 2018.

According to Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, micro businesses are productive businesses owned by individuals and/or individual business entities that meet the criteria of micro businesses (having a net worth of at most IDR 50 million excluding land and buildings place of business, or have annual sales of at most IDR 300 million) while small business is a productive economic business that is independent, carried out by individuals or business entities that are not subsidiaries or not a branch of the company which is owned, controlled, or becomes direct or indirect part of medium or large businesses that meet the criteria of a small business (has a net worth of more than IDR 50 million to a maximum of IDR 500 million excluding land and buildings where the business is located; or has annual sales results in excess of IDR 300 million to a maximum of IDR 2.5 billion). Poor accounting in most micro and small business management is generally due to their low knowledge about accounting.

According to Walther (2014), accounting is a set of concepts and techniques that are used to measure and report financial information about an economic unit. The economic unit is generally considered to be a separate enterprise. The information is potentially reported to a variety of different types of parties including business managers. Business managers need accounting information to make sound leadership decisions, which is one of the important managerial skills that must be possessed by business owners. According to Needles, Powers, and Crosson (2011), accounting is a link between business activities and decision makers. Accounting measures business activities by recording data about them for future use. The data are stored until needed and then processed to become useful information. The information is communicated through reports to decision makers. Micro and small business owners as decision makers can use these reports to improve the efficiency and effectiveness of their businesses. To be able to encourage micro and small business owners to carry out accounting and use accounting information, they must first have adequate knowledge about accounting. To help micro and small business owners improve their knowledge of accounting, Postgraduate Program Universitas Prof. Dr. Moestopo (Beragama)

organized community engagement activities in Larangan Indah Subdistrict, Larangan District, Tangerang City in the form of basic accounting principles training.

2. IMPLEMENTATION METHOD

Community engagement activities were carried out in the form of training. The first meeting in the form of the opening of the training activities was held at the Larangan Indah Subdistrict Office Meeting Hall on September 6, 2018. Furthermore, the training was held as many as 8 sessions every Monday and Thursday for 5 weeks with a duration of 4 hours for each session (16.30-20.30).

The training participants consisted of 28 micro and small business owners, based on data from the district domiciled or residing in Larangan Indah District. There are 4 training instructors who are all lecturers. The training was conducted using lecture or classroom methods. In this method, training materials were delivered in turn by instructors. To make lectures more interesting and easier to understand, instructors used audiovisual aids. After the lecture, the instructor gave the questions the participants must work on and answers to the questions.

To evaluate training, the Kirkpatrick's Model is used. According to Kirkpatrick and Kirkpatrick (2006) there are three specific reasons to evaluate training: to justify the existence and budget of the training; to decide whether to continue or discontinue the training; and to gain information on how to improve future training. The Kirkpatrick's Model focuses on four key areas: reaction, learning, behavior, and results. But in this training the evaluation was carried out only in the area of reaction and learning.

3. RESULTS AND DISCUSSION

Community engagement activities were carried out in 3 stages: preparation, implementation and evaluation. In the preparation stage, the instructor team visited the Larangan Indah Subdistrict Office to determine the training needed by micro and small business owners who were domiciled or residing in the Larangan Indah Subdistrict, determine the agreed time for activities, arrange for permission to conduct activities, prepare training materials, and make invitations to participants and related parties.

Community engagement activities were officially opened by the Head of Larangan Indah Subdistrict and the Director of Postgraduate Program Universitas Prof. Dr. Moestopo (Beragama) in the Larangan Indah Subdistrict Office Hall on September 6, 2018. At the opening ceremony the purpose and objectives of the community engagement activities were presented: helping micro and small business owners to improve the quality of managerial skills through training in basic accounting principles. The training was held every Monday and Thursday for 5 weeks with a duration of 4 hours for each session.

A pre-test is conducted on the participants before the training begins to find out their initial knowledge of basic accounting principles. The pre-test results showed that the training participants' knowledge was still low.

The training topics presented to the training participants consisted of accounting information; accounting ethics, accounting equation; impact of transactions on the accounting equation, financial statements; account, debit and credit; journal; general ledger; trial balance; and computerized processing systems. Details of the training material delivered by the instructors can be seen in Table 1.

Table 1. Details of training materials

<i>Session</i>	<i>Date</i>	<i>Topic</i>	<i>Material</i>
1	Monday 10/09/2018	Accounting information	Accounting defined; financial accounting; managerial accounting
2	Thursday 13/09/2018	Accounting ethics	Accounting and professional ethics
3	Monday 17/09/2018	Accounting equation	Assets; liabilities; owner's equity; balance sheet
4	Thursday 20/09/2018	Impact of transactions on the accounting equation	Collect an account receivable; buy equipment with loan proceeds; provide services to a customer on account; pay expenses with cash; generalizing about the impact of transactions; distinguishing between revenue and income
5	Monday 24/09/2018	Financial statements	Income statement; the statement of retained earnings; balance sheet; statement of cash flows; articulation
6	Thursday 27/09/2018	Account, debit and credit	Debit/credit rules; analysis of transactions and events; determining an account's balance
7	Monday 01/10/2018	Journal	Accounting journal; special journal; page numbering

8	Thursday 04/10/2018	General ledger	Posting; to review
9	Monday 08/10/2018	Trial balance	Debits equals credit; financial statements from the trial balance
10	Thursday 11/10/2018	Computerized processing systems	Computerized processing systems

Based on observations made during the training activities, the participants generally showed high attention to the materials delivered by the instructors, actively asked questions and expressed opinions about things they experienced in their own businesses.

Evaluation was carried out at the end of the activity using the Kirkpatrick's Model. Evaluation focused on 2 areas: reaction and learning. To find out the reaction of the participants, satisfaction was measured using a questionnaire and the results can be seen in Table 2. In general, the training participants showed positive reactions. Audiovisual aids, facilities, and schedule were three aspects of training that got negative reactions. The aspects will be input for improvement in the next training.

Table 2. Reaction evaluation results

Number	Statement	Opinion (%)			
		Strongly Disagree	Disagree	Agree	Strongly Agree
1	The material covered in the training was relevant to my business.	0	0	10,71	89,29
2	The material was presented in an interesting way.	0	0	21,43	78,57
3	The instructor was an effective communicator.	0	0	35,71	64,29
4	The instructor was well prepared	0	0	3,57	96,43
5	The audiovisual aids were effective.	0	57,14	32,15	10,71
6	The handouts will be of help to me.	0	0	10,71	89,29
7	I will be able to apply much of the material to my business.	0	0	7,14	92,86
8	The facilities were suitable.	0	53,57	42,86	3,57
9	The schedule was suitable.	0	60,71	32,15	7,14
10	There was a good balance between presentation and group involvement.	0	0	3,57	96,43
11	I feel that the training will help my business better.	0	0	17,86	82,14
Average		0	15,58	19,81	56,83

Pre-test and post-test were used to measure learning (the extent to which participants change attitudes, improve knowledge, and/or increase skill as a result of attending the training). The questions in the pre-test were the same as the questions in the post-test so that it can be seen whether the participant has increased knowledge. The pre-test and post-test results can be seen in Table 3. In general, the participants showed increased knowledge after attending training.

Table 3. Pretest and posttest scores

Number	Test	Average Score
1	Pre-test	51
2	Post-test	93
Gain		+42

4. CONCLUSION

Business owners, especially micro and small businesses must understand basic accounting principles and use accounting information to make decisions that can improve the efficiency and effectiveness of their business. Community engagement activities carried out by Postgraduate Program Universitas Prof. Dr. Moestopo (Beragama) aims to help micro and small business owners improve their knowledge of accounting practices in

accordance with the Financial Accounting Standards for Micro, Small and Medium Entity. The activity was carried out in the form of training which was divided into 10 sessions. The training topics presented to the training participants consisted of accounting information; accounting ethics, accounting equation; impact of transactions on the accounting equation, financial statements; account, debit and credit; journal; general ledger; trial balance; and computerized processing systems. The training was conducted using lecture or classroom methods. In this method, training materials are delivered in turn by instructors using audiovisual aids.

To evaluate training the Kirkpatrick's Model is used, with evaluations carried out in the reaction and learning areas. Based on observations made during the training activities, the participants generally had a high level of attendance, showed high attention to the materials delivered by the instructors, actively asked questions and expressed opinions about things they experienced in their own businesses. Based on the results of evaluating the reaction using the satisfaction questionnaire, it is known that the participants showed positive reactions while based on the results of the evaluation of learning using a comparison between pre-test and post-test scores it is known that the participants experienced an increase in knowledge. Thus, participants are expected to be able to use the knowledge they have acquired during the training to improve one of the managerial skills that small and micro business owners must possess, namely making decisions to improve the efficiency and effectiveness of their businesses.

The training can be continued with other materials that are suitable to the needs of the participants. However, there are still aspects that need to be considered in the implementation of the next training: audiovisual aids, facilities, and schedule. To increase participant satisfaction, further training can be carried out on the campus of the Universitas Prof. Dr. Moestopo (Beragama) which has audiovisual aids and facilities that are more complete than the Larangan Indah Subdistrict Office Hall. Training can also be done on weekends that do not interfere with the daily activities of the participants.

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